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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 597
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Oelslager

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SUMMARY

- Makes capital reappropriations for the biennium ending June 30, 2024 (FYs 2023 and 2024).
- Clarifies that priority for state funding for classroom facilities projects includes a subsequent segment of a project for which conditional approval has lapsed.

DETAILED ANALYSIS

Capital reappropriations

The bill reappropriates approximately \$2.09 billion in capital funds for the biennium ending June 30, 2024 (FYs 2023 and 2024). For more details, consult the Legislative Budget Office's Fiscal Note for [H.B. 597](#), which is available on the General Assembly's website: legislature.ohio.gov.

Priority for classroom facilities assistance

The bill clarifies that a segment of a school district's state-funded classroom facilities project for which conditional approval has lapsed also must be given first priority for project funding as funds becomes available. Current law states only that first priority for project funding be given to a school district's project in which approval has lapsed, but is silent on whether this includes districts with segmented projects.¹ Under continuing law, as it would for an entire project, if a district desires to seek a new conditional approval of the segment, it must request that the Ohio Facilities Construction Commission (OFCC) set the scope, basic project cost, and the school district's portion of the basic project cost of the segment before resubmitting the ballot measures to the voters.²

¹ R.C. 3318.05, first paragraph.

² R.C. 3318.054(A).

Background

Project segmentation

Under continuing law, any school district that is eligible for facilities construction assistance, with OFCC approval, may opt to divide the district's facilities needs into discrete segments.³ Generally, each segment must consist of the new construction of one or more entire buildings, a stand-alone segment of a building that serves grades K-12, or the complete renovation of one or more entire existing buildings, with any necessary additions to that building. In addition, the segment generally may not include any construction of or renovation or repair to any building that does not complete the needs of the district with respect to that particular building at the time the segment is completed.⁴

Project conditional approval lapse

Under continuing law, the OFCC's conditional approval of a project, or segment in the case of a segmented project, lapses and the amount reserved and encumbered for the project is released unless a district, within 120 days after approval certification, accepts that approval, and the district's voters, within 13 months after certification, vote favorably to issue the bonds and tax necessary to finance the district's portion of the cost of the project or segment.⁵

New conditional approval

Under continuing law, if conditional approval of a district's project lapses, the district board may seek new conditional approval. To do so, it must request the OFCC to set the scope, basic project cost, and the school district's portion of the basic project cost prior to resubmitting the ballot measures to the voters. The OFCC must use the district's current assessed tax valuation and its percentile for the prior fiscal year for these purposes. The project scope and basic costs are valid for 13 months after the OFCC approves them. Upon voter approval of the new ballot measures, the district must be given first priority for project funding as funds become available.⁶

HISTORY

Action	Date
Introduced	03-15-22

ANHB0597IN-134/ts

³ R.C. 3318.05, first paragraph.

⁴ R.C. 3318.034, not in the bill.

⁵ R.C. 3318.05(A), (B), and (C); see also R.C. 3318.051 and 5705.21, neither in the bill.

⁶ R.C. 3318.054.